

House Study Bill 155

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON HUSER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing prelicensing and continuing education
2 requirements for used motor vehicle dealers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1879YC 82
5 dea/je/5

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1 1 Section 1. Section 322.4, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 8A. If the applicant is applying for a
1 4 used motor vehicle dealer license, certification that the
1 5 applicant has met the educational requirements for licensure
1 6 under section 322.7A. The certification may be transmitted to
1 7 the department by the education provider in electronic format.
1 8 Sec. 2. Section 322.7, subsection 4, Code 2007, is amended
1 9 to read as follows:
1 10 4. The motor vehicle dealer license provided for in this
1 11 chapter shall be renewed upon application in the form and
1 12 content prescribed by the department and upon payment of the
1 13 required fee. A used motor vehicle dealer license shall not
1 14 be renewed for an applicant who is subject to continuing
1 15 education requirements until the licensee certifies completion
1 16 of the educational requirements for license renewal under
1 17 section 322.7A. The certification may be transmitted to the
1 18 department by the education provider in electronic format. A
1 19 licensee shall have the month of expiration and the month
1 20 after the month of expiration to renew the license. A person
1 21 who fails to renew a license by the end of this time period
1 22 and desires to hold a license shall file a new license
1 23 application and pay the required fee.
1 24 Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER
1 25 EDUCATION PROGRAM.
1 26 1. An applicant for a license as a used motor vehicle
1 27 dealer shall complete a minimum of eight hours of prelicensing
1 28 education program courses pursuant to this section prior to
1 29 submitting an application to the department.
1 30 2. A person seeking renewal of a used motor vehicle dealer
1 31 license shall complete a minimum of five hours of continuing
1 32 education program courses over a two-year period pursuant to
1 33 this section prior to submitting an application for license
1 34 renewal. However, an applicant for renewal of a used motor
1 35 vehicle dealer license who has met the prelicensing education
2 1 requirement under subsection 1 within the preceding twelve
2 2 months is exempt from the continuing education requirement for
2 3 license renewal.
2 4 3. To meet the requirements of this section, at least one
2 5 individual who is associated with the used motor vehicle
2 6 dealer as an owner, principal, corporate officer, director, or
2 7 member or partner of a limited liability company or limited
2 8 liability partnership shall complete the education program
2 9 courses.
2 10 4. The Iowa independent automobile dealers association, in
2 11 consultation with the state department of transportation, the
2 12 department of education, the attorney general, and the Iowa
2 13 association of community college trustees, shall develop the
2 14 prelicensing and continuing education course curricula for the
2 15 used motor vehicle dealer education program, which shall
2 16 include but not be limited to examination of federal and state
2 17 laws applicable to the motor vehicle industry and federal and
2 18 state regulations pertaining to used motor vehicle dealers.

2 19 The education program courses shall be provided by community
2 20 colleges as defined in section 260C.2 or by the Iowa
2 21 independent automobile dealers association in conjunction with
2 22 a community college. The department of education shall adopt
2 23 rules establishing reasonable fees to be charged for the
2 24 prelicensing education courses and the continuing education
2 25 courses.

2 26 5. The provisions of this section apply to all used motor
2 27 vehicle dealers, including but not limited to individuals,
2 28 corporations, and partnerships, except for the following:

2 29 a. Motor vehicle rental companies having a national
2 30 franchise.
2 31 b. National motor vehicle auction companies.
2 32 c. Wholesale dealer-only auction companies.
2 33 d. Used car dealerships owned by a franchise motor vehicle
2 34 dealer.

2 35 e. Banks, credit unions, and savings and loan
3 1 associations.

3 2 6. Each community college providing used motor vehicle
3 3 dealer education program courses shall transmit a report on
3 4 the program annually by December 31 to the director of
3 5 transportation, the director of the department of education,
3 6 the attorney general, and the president of the Iowa
3 7 association of community college trustees.

3 8 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM ==
3 9 NOTICE. The department of transportation shall provide
3 10 reasonable notice to current used motor vehicle dealer
3 11 licensees of the need to meet continuing education
3 12 requirements as a condition for future license renewal.

3 13 EXPLANATION

3 14 This bill establishes prelicensing education and continuing
3 15 education requirements for used motor vehicle dealers. An
3 16 applicant for licensure as a used motor vehicle dealer is
3 17 required to complete at least eight hours of prelicensing
3 18 education prior to licensure, and an applicant for renewal of
3 19 a license is required to complete at least five hours of
3 20 continuing education over a two-year period as a condition for
3 21 license renewal. The bill specifies those persons associated
3 22 with a dealer in an official capacity who can fulfill the
3 23 education requirements on behalf of the dealer. The education
3 24 requirements do not apply to nationally franchised rental
3 25 companies; national motor vehicle and wholesale dealer-only
3 26 auction companies; used car dealerships owned by a franchise
3 27 motor vehicle dealer; and banks, credit unions, and savings
3 28 and loan associations.

3 29 The bill requires the Iowa independent automobile dealers
3 30 association, in consultation with the department of
3 31 transportation, the department of education, the attorney
3 32 general, and the Iowa association of community college
3 33 trustees, to develop course curricula for the education
3 34 program. The program courses shall be provided by community
3 35 colleges or by the Iowa independent automobile dealers
4 1 association in conjunction with a community college.
4 2 Reasonable fees for the courses shall be established by the
4 3 department of education by rule. Each community college that
4 4 provides the courses is required to transmit an annual report
4 5 to the director of transportation, the director of the
4 6 department of education, the attorney general, and the
4 7 president of the Iowa association of community college
4 8 trustees.

4 9 The department of transportation is directed to provide
4 10 timely notice of the new requirements to current licensees.

4 11 LSB 1879YC 82

4 12 dea:nh/je/5